

State of Arizona
Senate
Forty-fifth Legislature
Second Regular Session
2002

CHAPTER 178

SENATE BILL 1398

AN ACT

AMENDING SECTION 30-803, ARIZONA REVISED STATUTES; AMENDING LAWS 1998, CHAPTER 209, SECTION 39, AS AMENDED BY LAWS 2000, CHAPTER 54, SECTION 2; REPEALING LAWS 1998, CHAPTER 209, SECTION 34, AS AMENDED BY LAWS 2000, CHAPTER 54, SECTION 1; RELATING TO RETAIL SUPPLY OF ELECTRICITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 30-803, Arizona Revised Statutes, is amended to
3 read:

4 30-803. Competition in retail supply of electricity; open
5 markets

6 A. Public power entities may participate in retail electric
7 competition statewide and shall open the service territory currently served
8 by them to competition in the sale of electric generation service not later
9 than December 31, 1998 for at least twenty per cent of the 1995 retail load,
10 at least fifteen per cent of which shall be reserved for customers in the
11 residential customer class, and shall open their entire service territory to
12 competition not later than December 31, 2000 to electricity suppliers
13 certificated by the commission pursuant to section 40-207 and to providers
14 of other services.

15 B. Public power entities shall maintain their existing service
16 territories for electric distribution service. Public power entities shall
17 not provide electric distribution services in the service territories of
18 other electric distribution utilities in this state.

19 C. Electric distribution utilities shall continue to provide other
20 services for the service territories they serve as follows:

21 1. ~~Beginning on December 31, 1998 through December 31, 2000, billing~~
22 ~~and collection services shall be provided on a competitive basis for those~~
23 ~~retail electric customers with loads of one megawatt and above that have~~
24 ~~competitive electric generation service. After December 31, 2000 Billing and~~
25 ~~collection services for competitive electric generation services shall be~~
26 ~~provided on a competitive basis for all retail electric customers that have~~
27 ~~competitive electric generation service.~~

28 2. ~~Beginning on December 31, 1998 through December 31, 2000, metering~~
29 ~~shall be provided on a competitive basis for those retail electric customers~~
30 ~~with loads of one megawatt and above that have competitive electric~~
31 ~~generation service. After December 31, 2000 Metering shall be provided on~~
32 ~~a competitive basis for all retail electric customers that have competitive~~
33 ~~electric generation service. All meters shall meet or exceed existing~~
34 ~~standards for safety, reliability and accuracy.~~

35 3. ~~Beginning on December 31, 1998 through December 31, 2000, meter~~
36 ~~reading shall be provided on a competitive basis for those retail electric~~
37 ~~customers with loads of one megawatt and above that have competitive electric~~
38 ~~generation service. After December 31, 2000 Meter reading shall be provided~~
39 ~~on a competitive basis for all retail electric customers that have~~
40 ~~competitive electric generation service.~~

41 D. Public power entities shall provide for buy-through service to any
42 electric consumer on request at no additional charge other than charges for
43 required transmission, distribution or ancillary services or for requested

1 brokerage services, and any nonbypassable charges that would otherwise apply,
2 from and after January 1, 2001.

3 E. Public power entities shall allow the aggregation of loads by
4 multiple customers.

5 F. The governing body of a public power entity shall adopt a code of
6 conduct to prevent anticompetitive activities that may result from the public
7 power entity providing both competitive and noncompetitive services to retail
8 electric customers. The code of conduct shall address at least the following
9 issues:

10 1. Policies for allocating costs between noncompetitive and
11 competitive activities to avoid cross-subsidization.

12 2. Policies to prevent employees providing noncompetitive services
13 from directing retail electric customers to the public power entity's
14 competitive services.

15 3. Policies to prevent employees from transferring proprietary
16 information gained in the performance of noncompetitive services to employees
17 engaged in performing competitive services without the consent of the retail
18 electric customer.

19 4. Policies to provide retail electric customers with complete and
20 accurate disclosure of which services are competitive and which services are
21 noncompetitive.

22 5. Policies to prohibit preferential treatment when providing
23 noncompetitive services based on a retail electric customer's provider of
24 competitive services.

25 G. The governing body of a public power entity shall have an annual
26 independent audit performed to ensure compliance with the process and
27 procedures established in the code of conduct pursuant to subsection F of
28 this section. The results of the audit shall be made available to the
29 public.

30 H. The governing body of a public power entity shall provide a dispute
31 resolution process including nonbinding third party arbitrators or mediators
32 for customers and interested parties filing a complaint regarding activities
33 that are governed by the policies established pursuant to subsection F of
34 this section. Knowingly and intentionally violating the provisions of this
35 section shall result in the same civil penalties that apply to public service
36 corporations for similar violations.

37 I. The provisions of subsection B of this section ~~and the advisability~~
38 ~~of the exclusions in section 30-801, paragraph 16, subdivision (b), item (iv)~~
39 are subject to legislative review in 2008. The review shall include
40 recommendations on whether public power entities should retain their then
41 existing distribution service territories.

1 Sec. 2. Laws 1998, chapter 209, section 39, as amended by Laws 2000,
2 chapter 54, section 2, is amended to read:

3 Sec. 39. Delayed repeal

4 Laws 1998, chapter 209, sections ~~34~~ and SECTION 38 are IS repealed from
5 and after December 31, 2002.

6 Sec. 3. Repeal

7 Laws 1998, chapter 209, section 34, as amended by Laws 2000, chapter
8 54, section 1, is repealed.

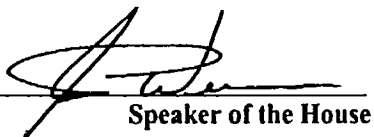
APPROVED BY THE GOVERNOR MAY 6, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 7, 2002.

Passed the House April 25, 20 02,

by the following vote: 49 Ayes,

5 Nays, 6 Not Voting

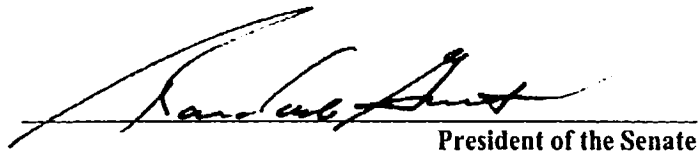

Speaker of the House

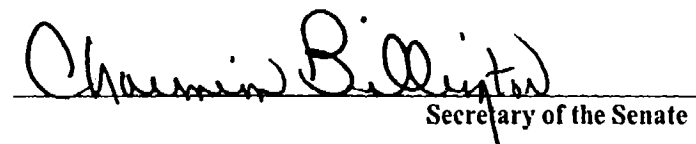

Chief Clerk of the House

Passed the Senate March 27, 20 02,

by the following vote: 18 Ayes,

12 Nays, 0 Not Voting


President of the Senate


Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

S.B. 1398

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this day of , 20 ,

at o'clock M.

Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS
AND FINAL PASSAGE

Passed the Senate April 30, 2002

by the following vote: 25 Ayes,

3 Nays, 2 Not Voting

Randall Hunt
President of the Senate

Charmine B. Dwyer
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

30 day of April, 2002

at 12:48 o'clock P M.

Sandra Gandy
Secretary to the Governor

Approved this 6th day of

May, 2002,

at 3:48 o'clock P M.

Jane Hull
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 7 day of May, 2002

at 3:13 o'clock P M.

Kathy Taylor
Secretary of State

S.B. 1398